United Nations A/RES/70/188

General Assembly

Distr.: General
4 February 2016

Seventieth session
Agenda item 18 (*b*)

Resolution adopted by the General Assembly on 22 December 2015

[*on the report of the Second Committee (A/70/470/Add.2)*]

70/188. International financial system and development

The General Assembly,

Recalling its resolutions 55/186 of 20 December 2000 and 56/181 of 21 December 2001, both entitled "Towards a strengthened and stable international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity", as well as its resolutions 57/241 of 20 December 2002, 58/202 of 23 December 2003, 59/222 of 22 December 2004, 60/186 of 22 December 2005, 61/187 of 20 December 2006, 62/185 of 19 December 2007, 63/205 of 19 December 2008, 64/190 of 21 December 2009, 65/143 of 20 December 2010, 66/187 of 22 December 2011, 67/197 of 21 December 2012, 68/201 of 20 December 2013 and 69/206 of 19 December 2014,

Reaffirming its resolution 70/1 of 25 September 2015, entitled "Transforming our world: the 2030 Agenda for Sustainable Development", in which it adopted a comprehensive, far-reaching and people-centred set of universal and transformative Sustainable Development Goals and targets, its commitment to working tirelessly for the full implementation of this Agenda by 2030, its recognition that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development, its commitment to achieving sustainable development in its three dimensions — economic, social and environmental — in a balanced and integrated manner, and to building upon the achievements of the Millennium Development Goals and seeking to address their unfinished business,

Reaffirming also its resolution 69/313 of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which is an integral part of the 2030 Agenda for Sustainable Development, supports and complements it, helps to contextualize its means of implementation targets with concrete policies and actions, and reaffirms the strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity,

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Recalling the United Nations Millennium Declaration,[1] its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development,[2] the Rio Declaration on Environment and Development,[3] Agenda 21,[4] the Programme for the Further Implementation of Agenda 21[5] and the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation),[6]

Recalling also the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha from 29 November to 2 December 2008,[7]

Recalling further the Conference on the World Financial and Economic Crisis and Its Impact on Development and its outcome document,[8]

Recalling the high-level plenary meeting of the General Assembly on the Millennium Development Goals and the special event to follow up efforts made towards achieving the Millennium Development Goals, convened by the President of the General Assembly on 25 September 2013, and their respective outcome documents,[9]

Recalling also the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012, and its outcome document, entitled "The future we want",[10]

Recognizing the work undertaken by the Ad Hoc Open-ended Working Group of the General Assembly to follow up on the issues contained in the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development, and taking note of its progress report,[11]

Recalling the high-level thematic debate on the state of the world economy and finance and its impact on development, convened by the President of the General Assembly on 17 and 18 May 2012,

Recalling also the meeting of the Second Committee, held pursuant to resolution 67/197, on 13 November 2013, to discuss actions in response to the world financial and economic crisis and its impact on development and prospects for restoring confidence and economic growth,

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[1] Resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex I.

[4] Ibid., annex II.

[5] Resolution S-19/2, annex.

[6] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August–4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[7] Resolution 63/239, annex.

[8] Resolution 63/303, annex.

[9] Resolutions 65/1 and 68/6.

[10] Resolution 66/288, annex.

[11] A/64/884.

Noting the Sixth Astana Economic Forum and the World Anti-Crisis Conference, held in Astana from 22 to 24 May 2013, and the Second World Anti-Crisis Conference, held in Astana from 21 to 23 May 2014,

Noting also the Saint Petersburg International Economic Forum, held in Saint Petersburg, Russian Federation, from 20 to 22 June 2013,

Noting further the Summit of the Group of 20 held in Brisbane, Australia, on 15 and 16 November 2014,

Noting the Summit of the Group of 20 held in Saint Petersburg on 5 and 6 September 2013,

Expressing concern about the adverse impact of the consequences of the world financial and economic crisis, including on development, and evidence of an uneven, fragile and slow recovery, cognizant that the global economy, notwithstanding significant efforts that helped to contain tail risks, improve financial market conditions and stability and sustain recovery, still remains in a challenging phase, with downside risks, including high volatility in global markets, excessive volatility of commodity prices, high unemployment, particularly among young people, unsustainable debt in some countries and widespread fiscal strains, which pose challenges for global economic recovery and reflect the need for additional progress towards sustaining and rebalancing global demand, and stressing the need for continuing efforts to address systemic fragilities and imbalances and to reform and strengthen the international financial system while implementing the reforms agreed upon to date,

Noting that, while some developing countries have made major contributions to recent global economic growth, the economic crisis has reduced their capacity to withstand further shocks, recalling the commitments made to support development and strong, sustained, balanced and inclusive economic growth, and reaffirming the need to work cooperatively to meet development commitments to ensure the meaningful and effective implementation of the 2030 Agenda for Sustainable Development,

Acknowledging that effective global economic governance in an increasingly interconnected world is of critical importance for the success of national efforts to achieve sustainable development in all countries and that, while significant efforts have been made over the years, there remains the need to continue to improve global economic governance and to strengthen the role of the United Nations in this regard,

Recalling the commitment to work in solidarity on a coordinated and comprehensive global response to the ongoing impacts of the consequences of the world financial and economic crisis on development and to take actions aimed at, inter alia, restoring confidence, sustaining economic growth and creating full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for equal work or for work of equal value,

Reaffirming the purposes of the United Nations, as set forth in its Charter, including to achieve international cooperation in solving international problems of an economic, social, cultural or humanitarian character and to be a centre for harmonizing the actions of nations in the attainment of common ends, and reiterating the need to strengthen the leadership role of the United Nations in promoting development,

Emphasizing that the international financial system should bolster sustained, inclusive and equitable economic growth, sustainable development and job creation and promote financial inclusion and support efforts to eradicate poverty and hunger in developing countries, while allowing for the coherent mobilization of all sources of financing for development,

Reaffirming the importance of supporting the African Union's Agenda 2063, as well as its 10-year plan of action, as a strategic framework for ensuring a positive socioeconomic transformation in Africa within the next 50 years, and its continental programme, embedded in the resolutions of the General Assembly on the New Partnership for Africa's Development, and regional initiatives, and in this regard inviting the international financial institutions to be supportive in accordance with their respective mandates,

Recognizing the importance of addressing the diverse needs and challenges faced by countries in special situations, in particular African countries, least developed countries, landlocked developing countries and small island developing States, as well as the specific challenges facing middle-income countries,

Recalling the Fourth United Nations Conference on the Least Developed Countries and the Programme of Action for the Least Developed Countries for the Decade 2011–2020,[12] and recognizing in this context that the international financial institutions should be supportive, in accordance with their mandates, of the challenges and special needs and priorities of the least developed countries, countries in conflict and post-conflict situations and countries in special situations,

Stressing the importance of commitment to ensuring and supporting sound domestic financial sectors, which make a vital contribution to national development efforts, as an important component of an international financial architecture that is supportive of development,

1. *Takes note* of the report of the Secretary-General;[13]

2. *Recognizes* the need to continue and intensify efforts to enhance the coherence and consistency of the international monetary, financial and trading systems, and reiterates the importance of ensuring their openness, fairness and inclusiveness in order to complement national efforts to ensure sustainable development, including strong, sustained, balanced, inclusive and equitable economic growth and the achievement of the internationally agreed development goals, including the 2030 Agenda for Sustainable Development;[14]

3. *Reiterates* the need to act decisively to tackle the challenges confronting the global economy in order to ensure balanced, sustained, inclusive and equitable global growth with full and productive employment and quality jobs, and also reiterates the need for mobilization of resources from a variety of sources and the effective use of financing in order to promote full and productive employment and decent work for all;

4. *Notes* the important efforts undertaken nationally, regionally and internationally to respond to the challenges posed by the financial and economic crisis, and recognizes that more needs to be done in order to promote the economic

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[12] *Report of the Fourth United Nations Conference on the Least Developed Countries, Istanbul, Turkey, 9–13 May 2011* (A/CONF.219/7), chap. II.

[13] A/70/311.

[14] Resolution 70/1.

recovery, address turbulence in global financial and commodity markets, tackle high unemployment and unsustainable debt in several countries, as well as widespread fiscal strains, reinforce the banking sector, including by increasing its transparency and accountability, address systemic fragilities and imbalances, reform and strengthen the international financial system and continue and enhance the coordination of financial and economic policies at the international level;

5. *Also notes* that the United Nations, on the basis of its universal membership and legitimacy, provides a unique and key forum for discussing international economic issues and their impact on development, and reaffirms that the United Nations is well positioned to participate in various reform processes aimed at improving and strengthening the effective functioning of the international financial system and architecture, while recognizing that the United Nations and the international financial institutions have complementary mandates that make the coordination of their actions crucial;

6. *Resolves* to strengthen the coherence and consistency of multilateral financial, investment, trade and development policy and environment institutions and platforms and to increase cooperation between major international institutions, while respecting mandates and governance structures, and commits itself to taking better advantage of relevant United Nations forums for promoting universal and holistic coherence and international commitments to sustainable development, building on the vision of the Monterrey Consensus;[2]

7. *Recalls* that countries must have the flexibility necessary to implement countercyclical measures and pursue tailored and targeted responses to the various types of shocks, including economic and financial crises, and calls for conditionalities to be streamlined to ensure that they are timely, tailored and targeted and that they support developing countries in the face of financial, economic and development challenges;

8. *Notes*, in this regard, the increase in resources and the improvement of the lending framework of the International Monetary Fund through, inter alia, streamlined conditions and flexible instruments, such as the precautionary and liquidity line, the flexible credit line and the rapid financing instrument, and the refinement of the lending framework for low-income countries, while also noting that new and ongoing programmes should not contain unwarranted procyclical conditionalities;

9. *Urges*, in this regard, the multilateral development banks to continue to move forward on flexible, concessional, fast-disbursing and front-loaded assistance that will substantially and quickly assist developing countries facing financing gaps in their efforts to achieve the Sustainable Development Goals, taking into consideration the individual absorptive capacities and debt sustainability of those countries;

10. *Invites* the multilateral development banks and other international development banks to continue providing both concessional and non-concessional stable, long-term development finance by leveraging contributions and capital and by mobilizing resources from capital markets, and stresses that development banks should make optimal use of their resources and balance sheets, consistent with maintaining their financial integrity, and should update and develop their policies in support of the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals;

11. *Recognizes* the role of private capital flows in mobilizing financing for development, stresses the challenges posed by excessive volatility of short-term capital flows to many developing countries, notes that the design and implementation of capital flow management measures to address those challenges, such as macroeconomic policies, macroprudential measures and various forms of capital account management, need to take into account the specific circumstances of individual countries, while also remaining fully cognizant of the potential risks involved in capital flow management;

12. *Notes* that regulatory gaps and misaligned incentives continue to pose risks to financial stability, including risks of spillover effects of financial crises to developing countries, which suggests a need to pursue further reforms of the international financial and monetary system and continued strengthening of international coordination and policy coherence to enhance global financial and macroeconomic stability, emphasizes the need to work to prevent and reduce the risk and impact of financial crises, acknowledging that national policy decisions can have systemic and far-ranging effects well beyond national borders, including on developing countries, highlights the importance of pursuing sound macroeconomic policies that contribute to global stability, equitable and sustainable growth and sustainable development, while strengthening financial systems and economic institutions, and notes that, when dealing with risks from large and volatile capital flows, necessary macroeconomic policy adjustment could be supported by macroprudential and, as appropriate, capital flow management measures;

13. *Recognizes* the need for the international financial institutions to promote, within their respective mandates, including by providing the right incentives for medium-term and long-term investment and the sharing of best practices, the mobilization of capital flows in order to better channel national and international investment for sustainable development based on its three dimensions;

14. *Emphasizes* the relevance of inclusion in the international financial system at all levels and the importance of considering financial inclusion as a policy objective in financial regulation, in accordance with national priorities and legislation;

15. *Recommits* to the broadening and strengthening of the voice and participation of developing countries in international economic decision-making and norm-setting and in global economic governance, recognizes the importance of overcoming obstacles to planned resource increases and governance reforms at the International Monetary Fund, notes that the implementation of the 2010 reforms of the Fund remains the highest priority, strongly urges the earliest ratification of those reforms, and reiterates its commitment to further governance reform at both the Fund and the World Bank to adapt to changes in the global economy;

16. *Acknowledges* the importance of the international financial institutions supporting, in line with their mandates, the policy space of each country, in particular developing countries, and recommits to the broadening and strengthening of the voice and participation of developing countries, including African countries, least developed countries, landlocked developing countries, small island developing States and middle-income countries, in international economic decision-making, norm-setting and global economic governance;

17. *Notes* the 2015 Shareholding Review of the World Bank, including the agreed principles that guide shareholding reviews and the road map for its implementation, and looks forward to the implementation of the road map, including the agreement on a dynamic formula;

18. *Recommits* to a redoubling of its efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion and corruption through strengthened national regulation and increased international cooperation, to reducing opportunities for tax avoidance and considering inserting anti-abuse clauses in all tax treaties, to enhancing disclosure practices and transparency in both source and destination countries, including by seeking to ensure transparency in all financial transactions between Governments and companies to relevant tax authorities, and to making sure that all companies, including multinationals, pay taxes to the Governments of the countries where economic activity occurs and value is created, in accordance with national and international laws and policies;

19. *Takes note* of the report of the High-level Panel on Illicit Financial Flows from Africa, invites other regions to carry out similar exercises, the International Monetary Fund, the World Bank and the United Nations to assist both source and destination countries to help to combat illicit flows and appropriate international institutions and regional organizations to publish estimates of the volume and composition of illicit financial flows, calls upon States to identify, assess and act on money-laundering risks, including through effective implementation of the Financial Action Task Force standards on anti-money-laundering/counter-terrorism financing, and encourages information-sharing among financial institutions to mitigate the potential impact of the anti-money-laundering and counter-terrorism financing standards on access to financial services;

20. *Urges* all countries that have not yet done so to ratify and accede to the United Nations Convention against Corruption,[15] and encourages parties to review its implementation, commits to making the Convention an effective instrument to deter, detect, prevent and counter corruption and bribery, prosecute those involved in corrupt activities and recover and return stolen assets to their country of origin, while encouraging the international community to develop good practices on asset return and supporting the Stolen Asset Recovery Initiative of the United Nations and the World Bank and other international initiatives that support the recovery of stolen assets, urges that regional conventions against corruption be updated and ratified, and reiterates the need to strive to eliminate safe havens that create incentives for transfer abroad of stolen assets and illicit financial flows and to work to strengthen regulatory frameworks at all levels to further increase transparency and accountability of financial institutions and the corporate sector, as well as public administrations, while strengthening international cooperation and national institutions to combat money-laundering and financing of terrorism;

21. *Calls for* the swift implementation of the 2010 quota and governance reform of the International Monetary Fund, notes the progress made by the Fund on the review of the quota formula in January 2013, and emphasizes the importance of reaching agreement on the quota formula, in parallel to the fifteenth general review of the quotas and as part of ongoing reform processes, in order to ensure the Fund's capability to address the challenges encountered by today's international monetary and financial system;

22. *Reaffirms* its commitment to an open and transparent, gender-balanced and merit-based process for selecting the heads of the international financial

[15] United Nations, *Treaty Series*, vol. 2349, No. 42146.

institutions, including the Bretton Woods institutions, and to enhance diversity of staff;

23. *Emphasizes* the need for more effective government involvement in order to ensure an appropriate regulation of the market which promotes the public interest, and recognizes in this regard the need to better regulate financial markets to promote economic stability and sustained, equitable and inclusive economic growth;

24. *Also emphasizes* that the 2008 world financial and economic crisis underscored the need for sound regulation of financial markets to strengthen financial and economic stability, as well as the imperative of a global financial safety net, welcomes the important steps taken since the International Conference on Financing for Development, held in Monterrey, Mexico, in 2002, particularly following the crisis in 2008, to build resilience, reduce vulnerability to international financial disruption and reduce spillover effects of global financial crises, including to developing countries, in a reform agenda whose completion remains a high priority, and notes that the membership of the International Monetary Fund bolstered the Fund's lending capacity, that multilateral and national development banks played important countercyclical roles during the crisis and that the world's principal financial centres worked together to reduce systemic risks and financial volatility through stronger national financial regulation, including Basel III and the broader financial reform agenda;

25. *Takes note* of the work by the Financial Stability Board on financial market reform, commits to sustaining or strengthening frameworks for macroprudential regulation and countercyclical buffers, reiterates the need to hasten the completion of the reform agenda on financial market regulation, including assessing and if necessary reducing the systemic risks associated with shadow banking, markets for derivatives, securities lending and repurchase agreements, and recommits to addressing the risk created by "too-big-to-fail" financial institutions and to addressing cross-border elements in effective resolution of troubled, systemically important financial institutions;

26. *Reiterates* the need to resolve to reduce mechanistic reliance on credit-rating agency assessments, including in regulations, while promoting competition as well as measures to avoid conflict of interest in the provision of credit ratings, so as to improve the quality of ratings, acknowledges the efforts of the Financial Stability Board and others in this area, supports the building of greater transparency requirements for evaluation standards of credit-rating agencies, and requests that ongoing work on these issues be continued, including at the United Nations;

27. *Recognizes* the role of special drawing rights as an international reserve asset, acknowledges that special drawing rights allocations helped to supplement international reserves in response to the world financial and economic crisis, thus contributing to the stability of the international financial system and global economic resilience, and also recognizes the need to continue regular reviews of the role of special drawing rights, including with reference to their potential role in the international reserve system;

28. *Reiterates* that effective, inclusive multilateral surveillance should be at the centre of crisis prevention efforts, stresses the need to continue to strengthen surveillance of the financial policies of countries, and in this regard takes note of the new surveillance approach of the International Monetary Fund to better integrate bilateral and multilateral surveillance, along with cross-border and cross-sectoral linkages with macroeconomic and macroprudential policies, while paying closer

attention to the spillover effects from national economic and financial policies onto the global economy;

29. *Stresses*, in this regard, the need to strengthen intergovernmental and independent surveillance of national financial policies and their impact on international interest rates, exchange rates and capital flows;

30. *Invites* the international financial and banking institutions to continue to enhance the transparency of risk-rating mechanisms, noting that sovereign risk assessments made by the private sector should maximize the use of strict, objective and transparent parameters, which can be facilitated by high-quality data and analysis, and encourages relevant institutions, including the United Nations Conference on Trade and Development, to continue their work on the issue, including its potential impact on the development prospects of developing countries;

31. *Calls upon* the multilateral, regional and subregional development banks and development funds to continue to play a vital role in serving the development needs of developing countries and countries with economies in transition, including through coordinated action, as appropriate, stresses that strengthened regional development banks and subregional financial institutions can add flexible financial support to national and regional development efforts, thus enhancing their ownership and overall efficiency, and can promote regional integration, increasing resilience to economic shocks, welcomes in this regard recent capital increases at multilateral and regional development banks, and encourages efforts to ensure that subregional development banks are adequately funded;

32. *Welcomes* efforts by new development banks to develop safeguard systems in open consultation with stakeholders on the basis of established international standards, and encourages all development banks to establish or maintain social and environmental safeguard systems, including on human rights, gender equality and women's empowerment, that are transparent, effective, efficient and time-sensitive;

33. *Encourages* enhanced regional and subregional cooperation, including through regional and subregional development banks, commercial and reserve currency arrangements and other regional and subregional initiatives;

34. *Stresses* the need to continuously improve standards of corporate and public sector governance, including those related to accounting, auditing and measures to ensure transparency, noting the disruptive effects of inadequate policies;

35. *Recognizes* the need for the international financial institutions, as appropriate, to promote gender mainstreaming in their policies and programmes, including macroeconomic, job creation and structural reform policies and programmes, in accordance with relevant national priorities and strategies;

36. *Urges* multilateral donors, and invites international financial institutions, within their respective mandates, and regional development banks to review and implement policies that support national efforts to ensure that a higher proportion of resources reaches women and girls, in particular in rural and remote areas;

37. *Recommits* itself to enabling women's full and equal participation in the economy and their equal access to decision-making processes and leadership;

38. *Reiterates* that States are strongly urged to refrain from promulgating and applying any unilateral economic, financial or trade measures not in accordance with international law and the Charter of the United Nations that impede the full

achievement of economic and social development, particularly in developing countries;

39. *Requests* the Secretary-General to submit to the General Assembly at its seventy-first session a report on the implementation of the present resolution, to be prepared in cooperation with the Bretton Woods institutions and other relevant stakeholders, and decides to include, under the item entitled "Macroeconomic policy questions", the sub-item entitled "International financial system and development" in the provisional agenda of its seventy-first session, unless otherwise agreed in the discussions on the revitalization of the Second Committee.

81st plenary meeting
22 December 2015